

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

SEADRILL LIMITED, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 21-30427 (DRJ)
)
) (Jointly Administered)
)

**STIPULATION AND AGREED ORDER AMONG SFL LINUS LTD
AND THE DEBTORS RESOLVING THE MOTION OF SFL LINUS LTD
FOR ENTRY OF AN ORDER COMPELLING THE REJECTION
OF THE PREPETITION LINUS CHARTERS**

[Relates to Document Nos. 1125, 1233, 1303]

SFL Linus Ltd (“SFL Owner”) and the above-captioned debtors (collectively, the “Debtors” and together with SFL Owner, the “Parties”) hereby enter into this stipulation and agreed order (this “Stipulation and Agreed Order”):²

WHEREAS, on October 22, 2021, SFL Owner filed the *Motion of SFL Linus Ltd for Entry of an Order (I) Compelling the Rejection of the Prepetition Linus Charters in Order to Commence Transition of Rig Management and to Protect Customer from Operating Disruptions; (II) Clarifying the Scope of the Stay and Discharge Injunctions; and (III) Granting Related Relief* [Docket No. 1125] (the “Motion to Compel”);

WHEREAS, on November 19, 2021, the Debtors filed the *Debtors’ Objection to Motion of SFL Linus Ltd for Entry of an Order (I) Compelling the Rejection of the Prepetition*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <http://cases.primeclerk.com/SeadrillLimited>. The location of Debtor Seadrill Americas, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 11025 Equity Drive, Suite 150, Houston, Texas 77041.

² Capitalized terms used but not defined herein have the meaning ascribed to them in the *Second Amended Joint Chapter 11 Plan of Reorganization of Seadrill Limited and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1158] (the “Chapter 11 Plan” or “Plan”).

Linus Charters in Order to Commence Transition of Rig Management and to Protect Customer from Operating Disruptions; (II) Clarifying the Scope of the Stay and Discharge Injunctions; and (III) Granting Related Relief [Docket No. 1233] (the “Debtors’ Objection”);

WHEREAS, the Parties have engaged in good faith, arms’ length negotiations to reach a consensual resolution of the Motion to Compel.

NOW, THEREFORE, in consideration of the foregoing recitals, the Parties hereby stipulate and agree, and the Court so orders, that:

1. The Motion to Compel is hereby withdrawn without prejudice and without any further action of the Parties.

2. The Parties agree that SFL Owner is permitted to have direct discussions and negotiations (which may be written or oral) with the Customer (as such term is defined in the Debtors’ Objection) and its representatives and designees.

3. The Parties agree to cooperate and negotiate in good faith any terms of the redelivery of the *West Linus* to SFL Owner as set forth in the Plan and Cash Collateral Order and any related terms that may be agreed among the Parties.

4. The Debtors are authorized to enter into and perform this Stipulation and Agreed Order. The Parties are authorized to take all actions necessary to effectuate the relief granted in this Stipulation and Agreed Order without further notice to or order from the Court, including entry into a mutually acceptable transition agreement and such other agreements or understandings as the Parties may deem necessary or appropriate. The automatic stay and injunctions in sections 362(a) and 1141(d) of the Bankruptcy Code and in the Plan are hereby modified as necessary to effectuate all of the terms and provisions of this Stipulation and Agreed Order.

5. Notwithstanding anything to the contrary contained herein, up to the Effective Date, (a) the Prepetition Linus Charters may be amended by agreement of the Parties and assumed by the Debtors in accordance with the terms of the Plan, and (b) if the Prepetition Linus Charters (as amended) are assumed, then the Parties may agree in writing (which writing may be by electronic mail) to terminate this Stipulation and Agreed Order without further action by or notice to the Court.

6. This Stipulation and Agreed Order shall be immediately binding and effective upon its execution by the Parties and it being so-ordered by the Court.

[Remainder of page intentionally left blank.]

7. The Court shall retain jurisdiction to resolve any dispute arising from or related to the interpretation or enforcement of this Stipulation and Agreed Order.

IT IS SO ORDERED.

Houston, Texas

Signed: December _____, 2021

HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

STIPULATED AND AGREED TO ON THIS 17TH DAY OF DECEMBER, 2021

JACKSON WALKER L.L.P.

/s/ Matthew D. Cavanaugh .

Matthew D. Cavanaugh (TX Bar No. 24062656)

Jennifer F. Wertz (TX Bar No. 24072822)

Vienna F. Anaya (TX Bar No. 24091225)

Victoria Argeroplos (TX Bar No. 24105799)

1401 McKinney Street, Suite 1900

Houston, TX 77010

Telephone: (713) 752-4200

Facsimile: (713) 752-4221

Email: mcavanaugh@jw.com

jwertz@jw.com

vanaya@jw.com

vargeroplos@jw.com

Co-Counsel to the Debtors and Debtors in Possession

KIRKLAND & ELLIS LLP KIRKLAND & ELLIS INTERNATIONAL LLP

Anup Sathy, P.C. (admitted pro hac vice)

Ross M. Kwasteniet, P.C. (admitted pro hac vice)

Brad Weiland (admitted pro hac vice)

Spencer Winters (admitted pro hac vice)

Heidi Hockberger (admitted pro hac vice)

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Email: asathy@kirkland.com

rkwasteniet@kirkland.com

bweiland@kirkland.com

spencer.winters@kirkland.com

heidi.hockberger@kirkland.com

Co-Counsel to the Debtors and Debtors in Possession

PORTER HEDGES LLP

/s/ John F. Higgins

1000 Main Street, 36th Floor

Houston, Texas 77002

Tel: (713) 226-6648

John F. Higgins

E-Mail: JHiggins@porterhedges.com

**PAUL, WEISS, RIFKIND, WHARTON &
GARRISON LLP**

1285 Avenue of the Americas

New York, New York 10019

Tel: (212) 373-3000

Andrew N. Rosenberg

E-mail: arosenberg@paulweiss.com

- and -

**PAUL, WEISS, RIFKIND, WHARTON &
GARRISON LLP**

2001 K Street NW

Washington, D.C. 20006

Tel: (202) 223-7300

Claudia R. Tobler

E-mail: ctobler@paulweiss.com

*Co-Counsel to SFL Corporation Ltd. and its
affiliates*

*Co-Counsel to SFL Corporation Ltd. and its
affiliates*